

# I Year-End Closing - Preparation Activities

## INTRODUCTION TO YEAR-END AND CALSTARS

Section 7900 of the State Administrative Manual (SAM) describes the various financial reports every department must prepare and submit as part of the Year-end Closing process. A Budget Letter is issued in the Spring of each year notifying departments of the specific reporting due dates by fund. The General Fund, feeder funds and economic uncertainty funds are usually due by July 31st. Other funds are due by August 20th. Refer to the Budget Letter for current due dates. The State Controller's Office (SCO) also includes these dates in their annual instructions to departments.

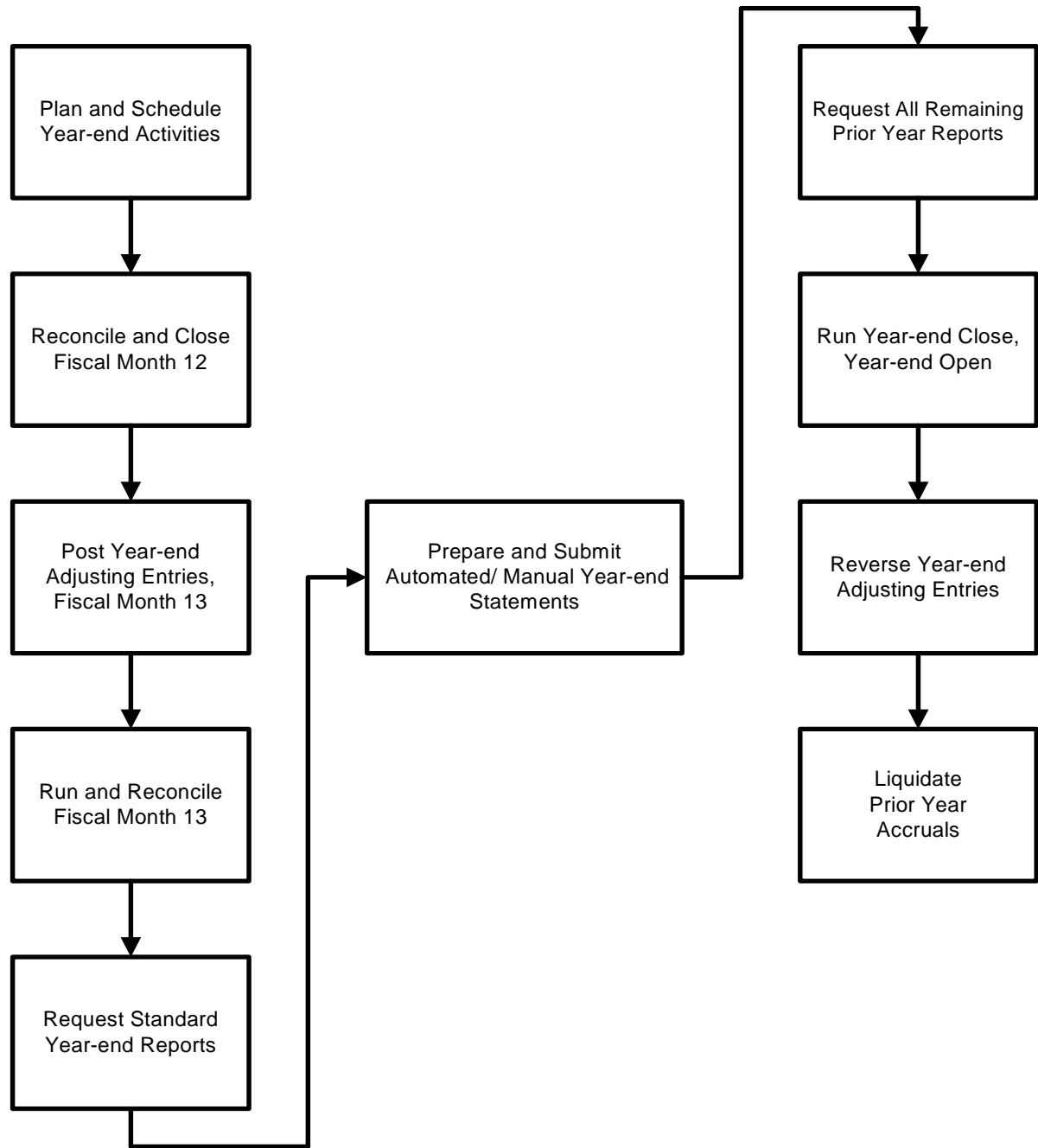
CALSTARS is structured to assist departments in the preparation of these financial reports by the required dates. In addition to providing a year's accumulation of data, CALSTARS provides the following at year-end:

- ★ An accounting period called "Fiscal Month 13" (FM 13) that is used to post all year-end adjusting entries;
- ★ Several standard reports that may be requested and submitted as finished year-end financial reports; and
- ★ A series of programs to close the prior year and carry forward general ledger and document balances to the new fiscal year.

The year-end closing process takes place over a period of several months beginning as early as March or April and extending through August or later. The following paragraphs provide an overview of the process and describe some of the pertinent steps. The following sections in this chapter describe each of the major activities that take place during this period.

Exhibit I-1 may help visualize the sequence and relationships between the major activities within the year-end process.

EXHIBIT I-1  
CALSTARS YEAR-END CLOSING PROCESS



## PLANNING FOR YEAR-END

Departments must create a plan that identifies specific year-end activities required to meet the year-end financial report due dates. If departments do not meet the established dates, then the State Controller cannot complete the *Annual Report of the State of California* on time.

Exhibit I-2 is an example of a Year-End Work Plan. It contains activities, due dates, responsibilities, and other information useful for timely completion of financial statements. The example is only a guideline. Departments should customize a work plan based on their activities. The department's year-end activity coordinator should complete this work plan prior to year-end and discuss it with key supervisors.

Once the plan is complete, the department's various operating units must be notified of specific document cutoff dates. Examples are vendor invoices, petty cash vouchers, revenue, etc. Exhibit I-3 provides examples of memoranda that may be sent to operating units.

## Keep Reconciliations Current

Keeping all reconciliations current throughout the fiscal year must be a priority task if the year-end closing is to be completed on time. In addition, departments must correct any reconciling items found while performing these reconciliations. The following chart lists the types of reconciliations, how often they must be completed, and the related SAM Sections.

TYPE OF RECONCILIATION	FREQUENCY	SAM SECTION	COMMENTS
SCO Appropriations & Accounts*	Monthly	7901, 7921	
General Ledger Accounts*	Monthly	7910, 7921	Non-shared funds (1140, 1210)
Office Revolving Fund*	Monthly	7920, 7922, 8193	
Bank*	Monthly	7920, 7923, 8060	
Property Ledger to Fixed Assets*	Quarterly	7924	
Document File to manual documents*	Monthly	7920	
Subsidiary in GL to Document File (D09)*	Quarterly	7920	

\* Including FM 13.

EXHIBIT I-2  
EXAMPLE OF YEAR-END WORK PLAN

Activity	Due Date	Responsibility	Date Completed	Comments
<b>A. BEFORE JUNE 30:</b>				
Review COM for year-end schedule	3/15	A. O. (Accounting Officer)		
Perform reconciliations	Ongoing	GL Unit		
Distribute Year-end Letters (Exhibit I-3)	3/16	A. O.		
Review Appropriation Symbol Table				
Reversion Indicators	3/20	Tables Unit		
Review all reverting documents	3/31	various units		
Review and adjust other outstanding documents:				
Payables (Due To)	4/1	A/P Unit		
Receivables (Due From)	5/31	A/R Unit		
Encumbrances	5/31	Enc. Unit		
Claims Filed	6/30	A/P Unit		
ORF (Advances)	6/30	ORF Unit		
Review and reconcile Subsidiaries	6/30	A/R Unit		
Review other areas:				
Plans of Financial Adjustment	5/31	A. O.		
Fixed Assets	5/31	A. O.		
SWCAP and Pro Rata charges	5/31	A. O.		
Abnormal Balances	5/31	A. O.		
GL 6201 for Payroll Clearing	6/10	A. O.		
Uncleared Collections	6/10	Receipts Sup.		
Advance Collections	6/10	GL Unit		
Prepayments	6/10	GL Unit		
Claims in Process	6/30	GL Unit		
Establish New Year tables (Generate and Add function):	Start 5/31	Tables Unit		
Organization Control Table				
Appropriation Symbol Table				
Budget Sequence Table				
Index Code Table				
PCA Table				
Cost Allocation Table				
Labor Distribution Tables (LC/EM)				
Review all new year tables for accuracy	6/1	Tables Unit		
Review new year tables with Budget Office (IC, AS, PCA, CA)	6/1	Tables Unit		
Review new year EM Table with Personnel and Budget Office	6/1	Tables Unit		
Review and establish Automated Payables Table (DGS)	6/1	Tables Unit		
Review tables (Vendor Edit and Project Control for possible deletions)	6/1	Tables Unit		
Prepare final reverting year PFA (Due date to SCO)	6/15	A. O.		
Cut-off for preparing claim schedules	6/29	A/P Unit		
Cut-off for encumbering documents	6/30	A/P Unit		
Cut-off for preparing A/R invoices	6/30	A/R Unit		
Deposit all cash receipts by 10:00 A.M.	6/30	Cashiers		
Review Vendor Edit Table AAAAAAAAAA for Report 6 Signature	6/30	Tables Unit		

EXHIBIT I-2 (CONTINUED)  
EXAMPLE OF YEAR-END WORK PLAN

Activity	Due Date	Responsibility	Date Completed	Comments
<b>B. AFTER JUNE 30:</b>				
Change reversion date for Clearing Account A/S and other reverting appropriations to 9/30, if needed, to avoid EA7 error message.	7/1	Tables Unit		
Run Labor Distribution (FM 12)	7/6	A. O.		
Run CA/FS and reports (FM 12)	7/10	A. O.		
Close FM 12 and prepare FM 12 reconciliations	7/13	A. O.		
Year-End Adjusting entries (FM 13):				
A1: Record Undeposited Receipts	7/5	A. O.		
A2: Adjust Revolving Fund Cash Account	7/9	ORF Unit		
A3: Reimbursement and Abatement Accruals	7/16	GL Unit		
A5: Accrue Interest Earnings on Investments	7/16	A.O.		
A6: Record Interest Due From Other Funds	7/16	A.O.		
A7: Abatements for Surveyed Equipment	7/16	A. O.		
A8: Accrual of Expenditures	7/16	A/P Unit		
A9: Record Revenue Accruals	7/16	GL Unit		
A10: Adjustment for Dishonored Checks	7/16	A. O.		
A12: Establish Reserve for Deferred A/R for Abatements and Reimbursements	7/16	GL Unit		
Run CA/FS (FM 13)	7/19	A. O.		
Request FM 13 Reports	7/20	A. O.		
Prepare Preliminary FM 13 Reconciliations	7/23	GL Unit		
Identify FM 13 overexpenditures, and enter adjustments	7/24	A.O. and Budget Office		
Record Year-End PFA (request B04 & Q22)	7/25	A. O.		
Reclassify encumbrances (non-governmental cost funds only)	7/25	A. O.		
Reclassify Allocated Encumbrances in Administration	7/25	A. O.		
Record subsidiaries for GL 1600	7/25	A. O.		
Review Fund Balance GL on G02 (Report 8) and reclassify if necessary	7/25	A. O.		
Analyze and adjust G01 accounts with abnormal or inappropriate balances	7/25	A. O.		
Request final FM 13 reports	7/26	A. O.		
Prepare final FM 13 Reconciliations	7/27	A. O.		

EXHIBIT I-2 (CONTINUED)  
EXAMPLE OF YEAR-END WORK PLAN

Activity	Due Date	Responsibility	Date Completed	Comments
<b>B. AFTER JUNE 30: (Continued)</b>				
<sup>A/</sup> Request Preliminary DB3 and G02 Reports	7/27	GL Unit		
<sup>A/</sup> Review Preliminary DB3 Report	7/28	GL Unit		
<sup>A/</sup> Enter Auto Year-End Transactions	7/28	GL Unit		
<sup>A/</sup> Request Final DB3 Report	7/28	GL Unit		
<sup>M/</sup> Prepare and balance Report 2 Accrual Worksheet and Report 15	7/28	GL Unit		
Request Reports for year-end statements	7/28	GL Unit		
<sup>A/</sup> Request Transmittal of Report Data	7/30-8/17	GL Unit		
<sup>M/</sup> Prepare Report Numbers 1,2,3, 5 and 15 for Governmental Cost Funds	7/29	GL Unit		
Complete Report Number 4	7/29	GL Unit		
Prepare Certification Letter(s) to SCO	7/29	GL Unit		
Submit Year-End statements: General	7/31	GL Unit		
Other Funds	8/20	GL Unit		
Set Labor Run Indicator for FM 01	8/6	Tables Unit		
Request all Prior Year reports	8/6	A. O.		
Submit copy of CSTARN10 to Budget Staff for Past-Year Schedule 10 Reporting	8/7	A.O.		
Review Reversion Indicators	8/7	Tables Unit		
Begin Automated Closing Process (YEC) and review G01 reports	8/10	Tables Unit		
Conclude Automated Closing Process (YEO) and review G01 reports	8/14	Tables Unit		
Reversing Entries: Review Auto Reversal Entries	8/16	A. O.		
Reverse entries not included in auto reversal batches:	8/16	A. O.		
Standard Adjusting Entries				
PFA Reclass				
Encumbrance Reclass				
GL 1600 Subsidiaries				
Move ORF Advance per SCO JE	8/16	A. O.		
Reset OC Table indicators and run July (FM01) Cost Allocation/FS	8/17	A.O.		
Request FM 01 month-end reports	8/18	GL Unit		
Prepare FM 01 reconciliations	8/20	GL Unit		

<sup>A/</sup> **Automated Statements** - These activities only apply to funds included in the auto year-end report process.

<sup>M/</sup> **Manual Statements** - These activities only apply to manual statement preparation and first-year department participants in the auto year-end process.

EXHIBIT I-3

State of California

**M e m o r a n d u m**

Date : March 16, 2007

To : **Division Chiefs**  
**Boards and Commissions**

From : Example Department

Subject : 2006-07 Year-End Closing

To prepare our year-end financial reports in the allowable time, the following dates and instructions must be observed:

<u>Deadline Date</u>	<u>Action Required</u>
<u>April 17</u>	Submit all purchase estimates funded in the current year. <u>Requests received after April 17 will be charged to the new fiscal year.</u>
<u>June 12</u>	Submit all outstanding travel expense claims for May and any prior months.
<u>June 19</u>	Submit all Printing Estimates, Contracts or Sub-Purchase Orders. Any of these documents prepared after June 19 should be numbered with a new series and charged to the new fiscal year with delivery date after July 1.
<u>June 19</u>	Submit all invoices on hand. Submit a list of all outstanding expense items that will be charged to the current fiscal year, but are not yet billed.
<u>June 22</u>	Submit all billing data so we can prepare invoices by June 26. Submit a list of all reimbursement and revenue receivables for the current fiscal year that will not be billed by June 26.
<u>June 26</u>	All current year printing requisitions should be at OSP.
<u>July 6</u>	Submit all travel expense claims. If a trip begins in June and ends in July, prepare two separate travel expense claims: one claim for June travel up to 2400 hours June 30, 2007; and the second for July travel beginning 0001 hours July 1, 2007 to the completion of the trip.

State of California

## Memorandum

Date : March 16, 2007

To : **Budget Officer**

From : Example Department

Subject : 2006-07 Year-End Closing and New 2007-08 Budget Allotments

Please complete the following activities by the completion dates listed below:

<u>COMPLETION DATE</u>	<u>ACTIVITY</u>
6/5	<p><u>CLOSING CURRENT YEAR BUDGET, 2006-07 FY</u></p> <p>Review "607" Blanket. Take necessary action to cover overdrafts and estimates in Controller's records and Budget reports.</p>
6/5	<p>All Budget Revisions must be approved and in the Controller's Office for posting to the Controller's Accounts or Pending Budget Revisions must be cancelled and reversed.</p> <p><u>SET UP 2007-08 NEW YEAR BUDGET ALLOTMENTS</u></p>
5/4	<p>Submit detailed program and object allotments to Accounting. These allotments should be reconciled to the Governor's Budget.</p> <p>Include any carryovers or other authorizations that were omitted from the Governor's Budget.</p>
7/1, or upon Governor's signature	<p>Submit the dollar impact of any Legislative changes or Governor's vetoes to Accounting. These items should be reconciled to Budget Act.</p>
7/8	<p>Submit new "607" Blankets to the Controller for Temporary Help and Overtime, as required.</p>



**State of California**

**M e m o r a n d u m**

Date : March 16, 2007

To : **Division Chiefs**  
**Audit Office**  
**Legal Office**  
**Personnel Office**

From : Example Department

Subject : Contingent Liabilities

The Accounting Office is currently working on the FY 2006-07 year-end closing process. One of the required year-end financial reports is the "Report of Contingent Liabilities". Contingent liabilities are possible future claims against the State. Examples of contingent liabilities are pending litigation, audit exceptions, and worker's compensation claims. Contingent liabilities must be reported by each department, and should identify the type of liability, the case number or identification number, the potential dollar amount, and a possible payment date.

Attached is last year's Statement of Contingent Liabilities. Please review, note any changes, and add any new items.

Please advise U. R. Dunne, Accounting Administrator, in writing no later than July 15, 2007, of any contingent liabilities against the department as of June 30, 2007. If you have any questions, please contact U. R. Dunne at 445-5555.

Attachment (last year's Report 22)

**RECLASSIFY/LIQUIDATE REVERTING APPROPRIATION DOCUMENT FILE BALANCES**

Reverting appropriations are those appropriations that will revert on or before June 30. These appropriations can be identified on the SCO Agency Reconciliation Report as those with current end dates of June 30 or earlier. This includes Prior Year Revenue accounts. Appropriations reverting on or before June 30 cannot have outstanding receivable, payable or encumbrance documents. Beginning as early as January, departments should try to clear these documents. Receivable documents that will not be cleared by June 30 must be reclassified to GL 1319-Accounts Receivable—Other, offset by GL 1600-Provision for Deferred Receivables. Payable and encumbrance documents must be closed (or moved to another appropriation, as appropriate) by June 30.

CALSTARS provides two automated processes (CFY022 - Document File Reclassification/Liquidation and CFY023 - Revenue Reversal/Reclassification) to assist departments to identify, liquidate and/or reclassify documents within reverting appropriations. These two processes use the Appropriation Symbol (AS) Table Reversion Indicator and Reversion Date to determine which appropriations will revert on or before June 30. To use these automated processes for appropriations that will revert on or before June 30, the AS Table must be coded as follows by the end of March:

- (1) Set the Reversion Indicator to 1.
- (2) Set the Reversion Date to June 30, 20~~nn~~ (~~nn~~= current calendar year) or earlier.

**NOTE:** To avoid EA7 error, AP Date Not In Range, change the reversion date after the CFY022 process has completed for the Clearing Account and other appropriations, if needed, to 9/30/~~nn~~ prior to running FM 12 cost allocation.

**CFY022 - Document File Reclassification/Liquidation Process**

The CFY022 - Document File Reclassification/Liquidation Process generates transactions in reverting appropriations to:

- ✧ Reclassify valid Accounts Receivable - Abatements and Reimbursements to GL 1319-Accounts Receivable-Other; and
- ✧ Liquidate encumbrances.

These transactions are generated for all appropriations identified as reverting appropriations as described in the previous section *Reclassify/Liquidate Reverting Appropriation Document File Balances*. Exhibit I-4 lists the records selected by the CFY022 process and shows the decisions and resulting outputs. These outputs include:

- ✧ Transactions generated to reclassify abatement and reimbursement receivables (creates the A-4 year-end adjusting entries required by SAM Section 10603);

- ✧ Transactions generated to liquidate encumbrances; or
- ✧ Messages printed on the CFY022-1 Exception Report for review and possible action by the department.

The CFY022 process includes the following three steps:

- ✧ In early April, the CFY022 program produces the first "Reports Only Run", which provides a listing of all documents within the Document File subject to reversion or requiring department action. Departments should liquidate, adjust or correct these documents as appropriate.
- ✧ In late April, the CFY022 program produces a second "Reports Only Run" to enable departments to review the corrections made as a result of the first run. Final adjustments must be made prior to the first of May.
- ✧ During the first week in May, CALSTARS generates transactions to liquidate the remaining encumbrances and post A-4 entries for the remaining reverting abatement and reimbursement receivables documents. CALSTARS assigns Batch Type **YQ** for these entries and posts them in the prior month (FM10-April). Cost Allocation/Fund Split for April will not be available to run until after this posting.

#### CFY022 Transactions

The encumbrance liquidation transactions are posted with TC 210 or TC 212. The A-4 entries consist of two transactions for each outstanding receivable document.

		<u>GL</u>	
		<u>Debit</u>	<u>Credit</u>
First transaction:	(TCs 555, 572 or 574)	9000	A/R
	<b>OR</b>		
	(TCs 556, 573 or 575)	8100	A/R
Second transaction:	(TC 576)	1319	1600
	<b>OR</b>		
	(TC 577)	1600	1319

The first transaction reverses the accounts receivable reimbursement or abatement document from the reverting appropriation. The second transaction reestablishes the document as a deferred receivable. Because a deferred receivable has no nominal account impact, the second transaction establishes A/R Other entries without an Appropriation Symbol; however, they carry the original FFY, Document Number/Suffix, Fund, Fund Source, Fund Detail, and Vendor Number. The Fund used in the transaction is the disbursing fund of the PCA originally recorded with the documents except that all transactions in the Clearing Account (Fund Source **D**) have "?????" displayed as the fund number. This causes the TC 576 or TC 577 entry to go to the error file during the IEUP Cycle. The transaction is flagged with the error message, "EF3- FUND NOT IN D22". The department must correct the entry by supplying the appropriate ultimate fund and fund source.

EXHIBIT I-4  
DOCUMENT FILE DECISION TABLE FOR PROGRAM CFY022  
ACCOUNTS RECEIVABLE-ABATEMENTS AND ACCOUNTS RECEIVABLE-REIMBURSEMENTS

REVERSION INDICATOR	AS TABLE REVERSION DATE	GL ACCT NUMBER	SOURCE	REPORT ONLY RUNS	REPORT AND TRANSACTION GENERATION RUN
1	Equal to or before current year end date	1311	580000-589999	Print the record	Generate reclassification transactions: TC 555 & TC 576 If amount is > 0 TC 555(R) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'
			000000-579999 590000-999999	Print the record with message: 'INVALID SOURCE CODE'	Print the record with message: 'INVALID SOURCE CODE' on the CFY022-1 Exception Report
		1312	900000-999999	Print the record	Generate reclassification transactions: TC 556 & TC 576 If amount is > 0 TC 556(R) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'
			000000-899999	Print the record with message: 'INVALID SOURCE CODE'	Print the record with message: 'INVALID SOURCE CODE' on the CFY022-1 Exception Report
		1400	580000-589999	Print the record	Generate reclassification transactions: TC 572 & TC 576 If amount is > 0 TC 572(R) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'
			900000-999999	Print the record	Generate reclassification transactions: TC 573 & TC 576 If amount is > 0 TC 573(R) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'
			000000-579999 590000-899999	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION'	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION' on the CFY022-1 Exception Report
		1500	580000-589999	Print the record	Generate reclassification transactions: TC 574 & TC 576 If amount is > 0 TC 574(R) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'

EXHIBIT I-4 (Continued)  
DOCUMENT FILE DECISION TABLE FOR PROGRAM CFY022 (Continued)  
ACCOUNTS RECEIVABLE-ABATEMENTS AND ACCOUNTS RECEIVABLE-REIMBURSEMENTS

REVERSION INDICATOR	AS TABLE REVERSION DATE	GL ACCT NUMBER	SOURCE	REPORT ONLY RUNS	REPORT AND TRANSACTION GENERATION RUN
1 (Cont.)	Equal to or before current year end date (Cont.)	1500 (Cont.)	000000-579999 590000-899999	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION'	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION' on the CFY022-1 Exception Report
			900000-999999	Print the record	Generate reclassification transactions: TC 575 & TC 576 If amount is > 0 TC 575(r) & TC 577 If amount is < 0 Print the transaction values with message: 'RECLASS TRANS GENERATED'
		3010,3110, 3210,3220, 3290	All	Print the record with message: 'DOC REQUIRES AGENCY ACTION'	Print the record with message: 'DOC REQUIRES AGENCY ACTION' on the CFY022-1 Exception Report
		6150	All	Print the record	Generate liquidation transactions: TC 210 If amount is > 0 TC 212 If amount is < 0 Print the transaction values with message: 'LIQ. TRANS GENERATED'
		6170	All	Print the record with message: 'GLA NOT SUPPORTED AT YEC'	Print the record with message: 'GLA NOT SUPPORTED AT YEC' on the CFY022-1 Exception Report
		All other DF GL Accounts	All	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION'	Print the record with message: 'DOC MAY REQUIRE AGENCY ACTION' on the CFY022-1 Exception Report
	After current year end date	All	All	Print the record with message: 'BAD EFF-END-DATE/REV IND COMB'	Print the record with message: 'BAD EFF-END-DATE/REV IND COMB' on the CFY022-1 Exception Report
0, 2 or 9	Equal to or before current year end date	All	All	Print the record with message: 'BAD EFF-END-DATE/REV IND COMB'	Print the record with message: 'BAD EFF-END-DATE/REV IND COMB' on the CFY022-1 Exception Report
	After current year end date	All	All	Do nothing	Do nothing
(BLANK)	(No AS Table record present)	All except 1319 & 3730	All	Print the record with message: 'NO APPN SYM REC'	Print the record with message: 'NO APPN SYM REC' on the CFY022-1 Exception Report

Departments that want to manually post the reclassification and liquidation entries should use the first Reports Only Run to identify the documents that must be reclassified/liquidated and post the desired transactions before the second Reports Only Run. The second Reports Only Run may then be used to verify that the documents have been reclassified/liquidated. All manual reclassification and liquidation entries must be posted prior to the Transactions Run to prevent automated transactions from being posted.

**CFY022 Reports**

Reports generated by the CFY022 program are:

Reports Only Run (Run twice in April)

CFY022-1 CALSTARS DOCUMENT FILE RECLASSIFICATION/  
LIQUIDATION PROCESS REPORT REPORTS ONLY RUN -  
EXCEPTION REPORT (See Exhibit I-5)

For appropriations properly identified as reverting, this report lists outstanding A/R-Abatements, A/R-Reimbursements and Encumbrances in the Document File that cannot be reclassified or liquidated due to exceptions. These items require department action.

**NOTE:** The CFY022 process only reclassifies abatement and reimbursement receivables and liquidates encumbrances. However, if other documents are recorded against reverting appropriations they are also listed on the CFY022-1 Report with the message 'DOC MAY REQUIRE AGENCY ACTION'.

CFY022-2 CALSTARS DOCUMENT FILE RECLASSIFICATION/  
LIQUIDATION PROCESS REPORT REPORTS ONLY RUN -  
RECLASS REPORT (See Exhibit I-5)

For appropriations properly identified as reverting, this report lists A/R-Abatements, A/R-Reimbursements and Encumbrances in the Document File that meet the criteria for reclassification or liquidation during the "Transaction Run".

CFY022-4 CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION  
PROCESS REPORT REPORTS ONLY RUN - CONTROL REPORT  
(See Exhibit I-6)

Displays a count of records selected from the Document File; Document records with errors; and Document records to be reclassified to A/R-Other or liquidated.

Transaction Run (Run the first week of May)**CFY022-1 CALSTARS DOCUMENT FILE RECLASSIFICATION/  
LIQUIDATION PROCESS REPORT TRANSACTION RUN -  
EXCEPTION REPORT (See Exhibit I-6)**

For appropriations properly identified as reverting, this report lists outstanding A/R-Abatements, A/R-Reimbursements and Encumbrances in the Document File that cannot be reclassified or liquidated due to exceptions. These items require department action.

**NOTE:** The CFY022 process only reclassifies abatement and reimbursement receivables and liquidates encumbrances. However, if other documents are recorded against reverting appropriations they are also listed on the CFY022-1 Report with the message 'DOC MAY REQUIRE AGENCY ACTION'.

**CFY022-3 CALSTARS DOCUMENT FILE RECLASSIFICATION/  
LIQUIDATION PROCESS REPORT TRANSACTION RUN -  
TRANSACTIONS GENERATED (See Exhibit I-6)**

For reverting appropriations, this report displays reversal and reclassification transactions generated for A/R-Abatements and A/R-Reimbursements as well as any encumbrance liquidations.

**CFY022-4 CALSTARS DOCUMENT FILE RECLASSIFICATION/  
LIQUIDATION PROCESS REPORT TRANSACTION RUN -  
CONTROL REPORT (See Exhibit I-7)**

Displays a count of: Total records selected from the Document File; Document records with errors; Document records to be reclassified to A/R-Other or liquidated; Reversal transactions generated; Reclassification transactions generated; Liquidation transactions generated; Batch headers generated; and Total transactions generated.

EXHIBIT I-5  
REPORTS ONLY RUN (Run twice in April)

Exception Report

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CFY022-1 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 1
04/03/07 (10.06) ***** RUN PAGE: 2
                                REPORT ONLY RUN - EXCEPTION REPORT
.....(SORT ORDER).....
APPN FFY FUND GLAN  DOC-NUM-SUF  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT  *----- MESSAGE -----*
      INDEX PCA      OBJ      SOURCE
000  04   0250 1400   JE-18155-00                04-09-26 04-10-09      800,000.00 NO APPN SYM REC
                                580200
000  04   0251 1400   JE-43976-00                04-02-28 04-02-28      600,000.00 NO APPN SYM REC
                                580200
086  04   0482 1311   INV00001-85 XXXXXXXXXXXX-00  04-06-30 04-07-22      21,450.00 INVALID SOURCE CODE
                                0600 80840      125600

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Reclassification Report

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CFY022-2 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 1
04/03/07 (10.06) ***** RUN PAGE: 2
                                REPORT ONLY RUN - RECLASS/LIQUIDATION REPORT
.....(SORT ORDER).....
APPN FFY FUND GLAN  DOC-NUM-SUF  INDEX PCA      OBJ      SOURCE  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT
025  04   0014 1312   CSTI-413-00  1000  73560  201  991937  BDL0000027-00  04-02-21  04-02-28      40.00
025  04   0014 1400   CSTI-562-00  1000  73560          991937          04-09-10  04-09-21      300.00
091  02   0001 1500   FEDREIMB-01  1000  70845          995951          01-06-30  02-02-11     52,104.00
091  02   0001 1500   FEDREIMB-02  1000  70845          995951          01-06-30  02-02-11    634,274.00

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EXHIBIT I-6  
TRANSACTIONS RUN (Run once in the first week of May)

Exception Report

```

CFY022-1 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT                                ORG PAGE: 1
05/02/07 (10.06) ***** RUN PAGE: 2
                                TRANSACTION RUN - EXCEPTION REPORT
.....(SORT ORDER).....
APPN FFY FUND GLAN  DOC-NUM-SUF  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT  *----- MESSAGE -----*
      INDEX PCA      OBJ    SOURCE
000  04  0250 1400   JE-18155-00                04-09-26  04-10-09      800,000.00  NO APPN SYM REC
                                580200
000  04  0251 1400   JE-43976-00                05-02-28  05-02-28      600,000.00  NO APPN SYM REC
                                580200
806  04  0482 1311   INV00001-85  XXXXXXXXXX-00        05-06-30  05-07-22       21,450.00  INVALID SOURCE CODE
                                0600  80840      125600

```

Transactions Generated Report

```

CFY022-3 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT                                ORG PAGE: 1
05/02/07 (10.06) ***** RUN PAGE: 2
                                TRANSACTION RUN - TRANSACTIONS GENERATED
.....(SORT ORDER).....
APPN FFY FUND GLAN  DOC-NUM-SUF  VENDOR-NO-SUF  VENDOR-NAME  DOC-DT    LP-DT          AMOUNT  *----- MESSAGE -----*
      TC  R   INDEX PCA      OBJ    SOURCE  A-SRC SUB-ACCOUNT      TRANS-AMOUNT
091  02  0001 1500   FEDREIMB-01                03-06-30  04-02-11      52,104.00  RECLASS TRANS GENERATED
      575      1000  70845      995951      15100000      52,104.00
      576                                52,104.00
091  02  0001 1500   FEDREIMB-02                03-06-30  04-02-11      634,274.00  RECLASS TRANS GENERATED
      575      1000  70845      995951      15100000      634,274.00
      576                                634,274.00

```

EXHIBIT I-7  
CONTROL REPORTS

Reports Only Run

```
CFY022-4 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 33
04/03/07 (10.06) ***** RUN PAGE: 272
                                REPORT ONLY RUN - CONTROL REPORT
-----
                                TOTAL DOCUMENT RECORDS SELECTED: 28
                                TOTAL RECORDS WITH ERRORS: 12
                                TOTAL RECORDS TO BE RECLASSIFIED/LIQUIDATED: 16
-----
```

Transactions Run

```
CFY022-4 9990 (DEST: A1 CTL1) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
                                CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT ORG PAGE: 30
05/02/07 (10.06) ***** RUN PAGE: 253
                                TRANSACTION RUN - CONTROL REPORT
-----
                                TOTAL DOCUMENT RECORDS SELECTED: 25
                                TOTAL RECORDS WITH ERRORS: 10
                                TOTAL RECORDS TO BE RECLASSIFIED/LIQUIDATED: 15

                                REVERSAL TRANSACTIONS GENERATED: 7
                                RECLASS TRANSACTIONS GENERATED: 7
                                LIQUIDATION TRANSACTIONS GENERATED: 8
                                TOTAL BATCH HEADERS GENERATED: 1
                                TOTAL TRANSACTION GENERATED: ----- 23
-----
```

**After CFY022 Process**

After the automated reclassification is completed, departments must modify their cash receipt process for those reclassified documents until the end of the fiscal year. For example, if an accounts receivable abatement document is reclassified, the document now resides in GL 1319-Accounts Receivable Other, with the offset in GL 1600-Provision for Deferred Receivables. However, if collected and remitted after June 30, the cash receipt will still be treated as an abatement. The appropriate entries after the reclassification but before June 30 (providing that the SCO receives and records the remittance advice by June 30) are:

**For Abatements:**

TC 104 - Record Cash Receipts as Expenditure Abatements

Dr. 1110 General Cash

Cr. 9000 Expenditures

**AND**

TC 469 - Liquidate Accounts Receivable-Other

Dr. 1600 Provision for Deferred Receivables

Cr. 1319 Accounts Receivable Other

**NOTE:** If recording TC 104 after May Cost Allocation/Fund Split is run, override transaction to the ultimate fund source.

**For Reimbursements:**

TC 102 - Record Cash Receipts as Reimbursements

Dr. 1110 General Cash

Cr. 8100 Reimbursements

**AND**

TC 469 - Liquidate Accounts Receivable-Other

Dr. 1600 Provision for Deferred Receivables

Cr. 1319 Accounts Receivable Other

If the SCO receives and records the remittance advice after June 30, the collection must be recorded as Refunds To Reverted Appropriations. The appropriate entries with Source **570000** are:

**For Abatements and Reimbursements:**

TC 107 - Record Cash Receipts as Refunds to Reverted Appropriations

Dr. 1110 General Cash

Cr. 9891 Refunds to Reverted Appropriations

**AND**

TC 469 - Liquidate Accounts Receivable - Other

Dr. 1600 Provision for Deferred Receivables

Cr. 1319 Accounts Receivable Other

Departments should not re-establish the original receivables.

**CFY023 - Revenue Reversal/Reclassification**

The CFY023 - Revenue Reversal/Reclassification Process generates transactions to reclassify any revenue accounts receivables documents in reverting appropriations to GL 1319-Accounts Receivable-Other. The SCO accounts for revenue in the Current Year and **one** Prior Year for all non-Federal funds. Accordingly, reclass transactions are generated for all outstanding revenue accounts receivable documents in non-Federal Prior Year Revenue accounts on June 30. Only Current Year Revenue accounts may have Accounts Receivable balances except in Federal Funds.

Federal Fund Revenue accounts revert after five years in accordance with the Budget Act. The CFY023 – Revenue Reversal/Reclassification Process generates transactions to reclassify any Federal Fund revenue accounts receivable documents in the reverting year to GL 1319. For example, outstanding FY 2002-03 Federal Accounts Receivable documents are reclassified to GL 1319 on June 30, 2007.

Exhibit I-8 lists the records selected by the CFY023 process and shows the decisions and resulting outputs. These outputs include:

- ✧ Transactions generated to reclassify Accounts Receivable - Revenue (creates the reverting appropriation portion of the A-9 year-end adjusting entries); or
- ✧ Messages printed on the CFY023-1 Exception Report for review and possible action by the department.

EXHIBIT I-8  
DOCUMENT FILE DECISION TABLE FOR PROGRAM CFY023  
ACCOUNTS RECEIVABLE-REVENUE RECLASSIFICATION

REV IND	ACTIVE IND	REVERSION DATE	GL NUMBE R	SOURCE	REPORT ONLY RUNS	TRANSACTION GENERATION RUN
1	0	After last day of current year	1313 or 1314 or 1400 or 1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record with message: 'BAD EFF-END-DTE/REVR IND COMBO'	Print the record with message: 'BAD EFF-END-DTE/REVR IND COMBO'
		Equal or before the last day of the current year	1313	1nnnnn or 2nnnnn or 4nnnnn	Print the record	Amount positive: TC 460      GL 1313 TC 576      GL 1319 Amount negative: TC 460(R)      GL 1313 TC 577      GL 1319
				Other source	Print the record with message: 'INVALID GL/SOURCE COMBO'	Print the record with message: 'INVALID GL/SOURCE COMBO'
			1314	1nnnnn or 2nnnnn or 4nnnnn	Print the record	Amount positive: TC 461      GL 1314 TC 576      GL 1319 Amount negative: TC 461(R)      GL 1314 TC 577      GL 1319
				Other source	Print the record with message: 'INVALID GL/SOURCE COMBO'	Print the record with message: 'INVALID GL/SOURCE COMBO'
			1400	1nnnnn or 2nnnnn or 4nnnnn	Print the record	Amount positive: TC 473      GL 1400 TC 576      GL 1319 Amount negative: TC 473(R)      GL 1400 TC 577      GL 1319
			1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record	Amount positive: TC 457      GL 1500 TC 576      GL 1319 Amount negative: TC 457(R)      GL 1500 TC 577      GL 1319
			1313 or 1314 or 1400 or 1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record with message: 'INACTIVE APPN SYM'	Print the record with message: 'INACTIVE APPN SYM'
	1	Any		1nnnnn or 2nnnnn or 4nnnnn	Print the record with message: 'INACTIVE APPN SYM'	Print the record with message: 'INACTIVE APPN SYM'

EXHIBIT I-8 (Continued)  
DOCUMENT FILE DECISION TABLE FOR PROGRAM CFY023 (Continued)  
ACCOUNTS RECEIVABLE-REVENUE RECLASSIFICATION (Continued)

REV IND	ACTIVE IND	REVERSION DATE	GL NUMBER	SOURCE	REPORT ONLY RUNS	TRANSACTION GENERATION RUN
0 or 2 or 9	0	Equal or before the last day of the current year	1313 or 1314 or 1400 or 1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record with message: 'BAD EFF-END-DTE/REVER IND COMBO'	Print the record with message: 'BAD EFF-END-DTE/REVER IND COMBO'
	1	Any	1313 or 1314 or 1400 or 1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record with message: 'INACTIVE APPN SYM'	Print the record with message: 'INACTIVE APPN SYM'
BLANK or NO AS FOUND	NOT AVAIL-ABLE	Not available	1313 or 1314 or 1400 or 1500	1nnnnn or 2nnnnn or 4nnnnn	Print the record with message: 'NO APPN SYM RECORD'	Print the record with message: 'NO APPN SYM RECORD'

The CFY023 process includes the following three steps:

- ✧ In late May, the CFY023 program produces the first "Reports Only Run", which provides a listing of all documents within the Document File subject to reversion or requiring department action. Departments should liquidate, adjust or correct these documents as appropriate.
- ✧ In early June, the CFY023 program produces a second "Reports Only Run" to enable departments to review the corrections made as a result of the first run. Final adjustments must be made prior to the end of June.
- ✧ Final processing day of June, CALSTARS generates transactions to post A-9 entries for the remaining reverting revenue receivables documents. CALSTARS assigns Batch Type **YP** for these entries and posts them in the current month (FM12-June).

### **CFY023 Transactions**

The transactions generated by the CFY023 process are:

First transaction:

TC 460 - Record an adjustment decreasing A/R Revenue  
Dr. 8000 Revenue/Operating Revenue  
Cr. 1313 Accounts Receivable Revenue

**OR**

TC 461 - Record an adjustment decreasing A/R Operating Revenue  
Dr. 8000 Revenue/Operating Revenue  
Cr. 1314 Accounts Receivable Operating Revenue

**OR**

TC 473 - Adjustment decreasing Due from other funds - Revenue  
Dr. 8000 Revenue/Operating Revenue  
Cr. 1400 Due from Other Funds or Appropriations

**OR**

TC 457 - Rec Adjustment decreasing Due from other Govts - Revenue  
Dr. 8000 Revenue/Operating Revenue  
Cr. 1500 Due from Other Governments

Second transaction:

TC 576 - Establish Accounts Receivable Other  
Dr. 1319 Accounts Receivable Other  
Cr. 1600 Provision for Deferred Receivables

**OR**

TC 577 - Establish Credit Accounts Receivable Other  
Dr. 1600 Provision for Deferred Receivables  
Cr. 1319 Accounts Receivable Other

The first transaction reverses the original A/R revenue document from the Document File. The second transaction reestablishes the document as a deferred receivable in GL 1319. The GL 1319 entries are established without an Appropriation Symbol; however, they carry the original FFY, Document Number/Suffix, Fund, Fund Source, Fund Detail, Source and Agency Source, and Vendor Number.

Departments that want to manually post the reclassification entries should use the first Reports Only Run to identify the documents that must be reclassified and post the desired transactions before the second Reports Only Run. The second Reports Only Run may then be used to verify that the documents have been reclassified. All manual reclassification entries must be posted prior to the Transactions Run to prevent automated transactions from being posted.

### **CFY023 Reports**

The reports generated by this process are:

#### Reports Only Run (Run first in late May and again in early June)

CFY023-1 CALSTARS REVENUE REVERSAL/RECLASSIFICATION  
PROCESS - REPORT REPORTS ONLY RUN - EXCEPTION  
REPORT (See Exhibit I-9)

Lists A/R-Revenue documents in the Document File for reverting appropriations that have exceptions requiring department action.

CFY023-2 CALSTARS REVENUE REVERSAL/RECLASSIFICATION  
PROCESS REPORT - REPORTS ONLY RUN - RECLASS  
REPORT (See Exhibit I-9)

Lists A/R-Revenue documents in the Document File for reverting appropriations that meet all criteria for reclassification to A/R-Other during the Transaction Run.

CFY023-4 CALSTARS REVENUE REVERSAL/RECLASSIFICATION  
PROCESS REPORT - REPORTS ONLY RUN - CONTROL  
REPORT (See Exhibit I-11)

Displays a count of: Total revenue records in the Document File; Document records not to be reclassified; Document records with errors; and Document records to be reclassified to A/R-Other.

#### Transaction Run (Run on last processing day of June)

CFY023-1 CALSTARS REVENUE REVERSAL/RECLASSIFICATION  
PROCESS REPORT - TRANSACTION RUN - EXCEPTION  
REPORT (See Exhibit I-10)

Lists A/R-Revenue documents in the Document File for reverting appropriations that have exceptions requiring department action. These documents are not reclassified.



CFY023-3 CALSTARS REVENUE REVERSAL/RECLASSIFICATION  
PROCESS REPORT - TRANSACTION RUN - TRANSACTIONS  
GENERATED (See Exhibit I-10)

Displays both the reversal and reclassification transactions generated for each applicable A/R-Revenue record.

CFY023-4 CALSTARS REVENUE REVERSAL/RECLASSIFICATION  
PROCESS REPORT - TRANSACTION RUN - CONTROL REPORT  
(See Exhibit I-11)

Displays a count of: Total revenue records in the Document File; Document records not to be reclassified; Document records with errors; Document records to be reclassified to A/R-Other; Reversal transactions generated; Reclassification transactions generated; Batch headers generated; and Total transactions generated.

All data on these reports are sorted by Appropriation Symbol, FFY, and Document Number/Suffix. The Vendor information area on the reports displays the Vendor Number, if available, or the Vendor Name. The field is blank if there is no Vendor information.

**NOTE:** The CFY023 process does not generate null reports for departments that do not have A/R Revenues in the Document File.

**After CFY023 Process**

When the receivable is subsequently collected, the A/R-Other must be liquidated and the cash received recorded as revenue in the prior fiscal year. The transactions are:

TC 469 - Liquidate Accounts Receivable Other (use original FFY)  
Dr. 1600 Provision for Deferred Receivables  
Cr. 1319 Accounts Receivable Other

**AND**

TC - 101 Record cash receipts as revenue-not billed (use prior FFY)  
Dr. 1110 General Cash  
Cr. 8000 Revenue/Operating Revenue

**NOTE:** Revenue receipts are always posted to Current Year or Prior Year Revenue. They are never posted to Refunds To Reverted Appropriations.

EXHIBIT I-9  
REPORTS ONLY RUN - Late May and early June

Exception Report

CFY023-1 9990 (DEST: A1 CTL1) \*\*\*\*\* DEPARTMENT OF AIR QUALITY \*\*\*\*\* ORG NUMBER: 9990  
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1  
 05/23/07 (16.23) \*\*\*\*\* RUN PAGE: 1  
 REPORT ONLY RUN - EXCEPTION REPORT

APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	AMOUNT	MESSAGE		
FUND FS	FD	MD	GLAN	INDEX	PCA	SOURCE	SUBSID	VENDOR INFO
980	05	90000181-00	050729	061030	310,116.13	BAD EFF-END-DTE / REVR-IND COMB		
0029	S	1	1313	9999	75029	125660		11111111-00
980	05	90000182-00	051031	061008	75,000.00	BAD EFF-END-DTE / REVR-IND COMB		
0029	S	1	1313	9999	75029	125600		ABC INC.
980	05	90000183-00	051031	061008	500.00	BAD EFF-END-DTE / REVR-IND COMB		
0029	S	1	1313	9999	75029	125600		

Reclassification Report

CFY023-2 9990 (DEST: A1 CTL1) \*\*\*\*\* DEPARTMENT OF AIR QUALITY \*\*\*\*\* ORG NUMBER: 9990  
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1  
 05/23/07 (16.23) \*\*\*\*\* RUN PAGE: 1  
 REPORT ONLY RUN - RECLASS REPORT

APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	GLAN	FUND FS	FD	MD	INDX	PCA	SOURCE	ASRC	SUBSID	VENDOR INFO	RECLASS	AMOUNT
980	05	90000180-00	050903	051029	1313	0029	S	00	1	9999	75029	125600		11111111-00		500.00
980	05	90000184-00	051102	060131	1313	0029	S	00	1	9999	75030	125600		ABC INC.		500.00
980	02	90000184-01	021103	030201	1500	0029	S	00	1	9999	75031	410054	15100000	DEPT OF AIR		500.00
980	02	90000184-01	021209	030309	1500	0029	S	00	1	9999	75039	410054	15100000	DEPT OF AIR		1,000.00

EXHIBIT I-10  
TRANSACTION RUN - June 30

Exception Report

CFY023-1 9990 (DEST: A1 CTL1) \*\*\*\*\* DEPARTMENT OF AIR QUALITY \*\*\*\*\* ORG NUMBER: 9990  
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1  
 06/30/07 (16.23) \*\*\*\*\* RUN PAGE: 1  
 TRANSACTION RUN - EXCEPTION REPORT

APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	AMOUNT	MESSAGE		
FUND FS	FD	MD	GLAN	INDEX	PCA	SOURCE	SUBSID	VENDOR INFO
980 05	90000181-00	050729	061030		310,116.13	BAD EFF-END-DTE / REVR-IND COMB		
0029 S	1 1313	9999	75029	125660		11111111-00		
980 05	90000182-00	051031	061008		75,000.00	BAD EFF-END-DTE / REVR-IND COMB		
0029 S	1 1313	9999	75029	125600		ABC INC.		
980 05	90000183-00	051031	061008		500.00	BAD EFF-END-DTE / REVR-IND COMB		
0029 S	1 1313	9999	75029	125600				

Reclassification Report

CFY023-3 9990 (DEST: A1 CTL1) \*\*\*\*\* DEPARTMENT OF AIR QUALITY \*\*\*\*\* ORG NUMBER: 9990  
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1  
 06/30/07 (16.23) \*\*\*\*\* RUN PAGE: 1  
 TRANSACTION RUN - TRANSACTIONS GENERATED

APPN	FFY	REF/CUR	DOC/SF	DOC-DT	LP-DT	TC	R	GLAN	FUND FS	FD	MD	INDX	PCA	SOURCE AS	SUBSID	VENDOR INFO	AMOUNT
980 05	90000180-00	050903	060303	461	1313								9999	75029	125600	11111111-00	100.00
05	90000180-00	070630		576	1319	0029	S	00								11111111-00	100.00
05	90000184-00	051102	060131	461	1313								9999	75030	125600	ABC INC.	500.00
05	90000184-00	070630		576	1319	0029	S	00								ABC INC.	500.00
02	90000184-01	021103	030201	457	1500								9999	75031	410054	15100000	DEPT OF AIR
02	90000184-01	070630		576	1319	0029	S	00								DEPT OF AIR	500.00

EXHIBIT I-11  
CONTROL REPORTS

Reports Only Run

CFY023-4 9990 (DEST: A1 CTL1) \*\*\*\*\* DEPARTMENT OF AIR QUALITY \*\*\*\*\* ORG NUMBER: 9990  
CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1  
05/23/07 (16.23) \*\*\*\*\* RUN PAGE: 1  
REPORT ONLY RUN - CONTROL REPORT

-----

TOTAL REVENUE DOCUMENT RECORDS:	10
DOCUMENT RECORDS NOT TO BE RECLASSIFIED:	4
DOCUMENT RECORDS WITH ERRORS:	3
DOCUMENT RECORDS TO BE RECLASSIFIED:	3

-----

Transaction Run

CFY023-4 9990 (DEST: A1 CTL1) \*\*\*\*\* DEPARTMENT OF AIR QUALITY \*\*\*\*\* ORG NUMBER: 9990  
CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1  
06/30/07 (16.23) \*\*\*\*\* RUN PAGE: 1  
TRANSACTION RUN - CONTROL REPORT

-----

TOTAL REVENUE DOCUMENT RECORDS:	10
DOCUMENT RECORDS NOT TO BE RECLASSIFIED:	4
DOCUMENT RECORDS WITH ERRORS:	3
DOCUMENT RECORDS TO BE RECLASSIFIED:	3
REVERSAL TRANSACTIONS GENERATED:	3
RECLASS TRANSACTIONS GENERATED:	3
TOTAL BATCH HEADERS GENERATED:	1
TOTAL TRANSACTIONS GENERATED:	7

-----

## REVIEW OUTSTANDING DOCUMENTS

### Receivables (General Ledger Accounts 1311 through 1500)

Verify that all open invoices are accurately reflected in CALSTARS by comparing the open invoices file to the D06 or D16 Report. Verify that **Due From Other Funds or Appropriations** and **Due From Other Governments** are correctly recorded in GLs 1400 and 1500, respectively. The D11, Report of Document File Records with an Abnormal Balance, should be reviewed to ensure that documents are recorded correctly.

### Encumbrances (General Ledger Account 6150)

Verify that open encumbrances are accurately reflected in CALSTARS by comparing the file of open contracts or other encumbered documents to the D16 Report. It is recommended that all documents refer to a vendor on the Vendor Edit Table. TC 912 with a zero dollar amount (**000**, no decimal) may be used to add or change a vendor number to an encumbrance document if the VE Table entry exists or is made during the same day.

**CAUTION!** When using TC 912, all classification elements must match the existing document. If not, the new data overlays the old data and may cause a conflict between the Document File and the Operating File. Always use the F4 Document File Retrieval function and a zero dollar amount. If a document is not open but has dollars in the Balance field, use an 'A' in the Modifier field to activate the document.

Vendor Numbers are required for encumbrances if the vendor is a Federal, State, local governmental or other governmental agency. Each department must review their Vendor Edit Table (Report X01 at 0001 level of detail) to verify that the Vendor Type is correct and used consistently. The Vendor Types are:

- C** - Corporation (Includes Non-profit Foundations)
- I** - Individual (Sole Proprietor)
- P** - Partnership
- E** - Estate (or Trust)
- 1** - Employee
- 2** - Federal Agency
- 3** - State Department (Includes CSU and CSU Trustees)
- 4** - Local Government (Includes Cities and Counties)
- 5** - Other Governmental Entity (Includes school districts, community colleges, Regents/UC's, and other state governments)

For more detailed information about Vendor Types, refer to Exhibit II-7 in Chapter II. The D07, Year-end Document File Report of Encumbrances, sorts all encumbrance

documents by Vendor Type from the Vendor Edit Table and provides subtotals by PCA, if selected. Vendor Types **C**, **I**, **P**, **E** and **O** (if any exist) are sorted together on the D07 Report. Encumbrance documents with no Vendor Number or with a Vendor Number that is no longer in the Vendor Edit Table are sorted together on the D07 Report. The Vendor Type is **blank** and the message 'VENDOR RECORD NOT FOUND ON VE' is displayed.

The D07 Report provides the information needed to reclassify encumbrances in Non-Governmental Cost Funds. Encumbrances reported as accounts payable are reclassified as "Due To's". The report should be requested with Fiscal Period **PY** in July just prior to reclassification to ensure that Vendor Types were changed and properly reflected.

### **Payables (General Ledger Accounts 3010 through 3290)**

Throughout the year, prior year expenditures are applied as liquidations to the liability accounts that were established at the end of the previous fiscal year. These payable documents on the D16 Report may have credit, debit or zero balances. Except in unusual circumstances, departments will have liquidated the payables within a few months after the end of the fiscal year. Therefore, any balances remaining in these liability accounts are probably not valid. March or April is the time to review prior year payables and adjust them to zero. Exhibit I-12 displays the transaction codes that are available for this purpose.

### **Obligations (General Ledger Account 6170)**

During the year-end closing process, actual obligations of the State must be recorded as expenditures with an offsetting credit to accounts payable.

Many Prior Year CALSTARS reports do not display GL 6170 obligations. During the year-end close process, GL 6170 is eliminated from the GL File.

### **Claims Filed (General Ledger Account 3020)**

Verify that all unpaid claim schedules are accurately reflected in CALSTARS by reviewing the D05 Report. Claim schedules should not be outstanding more than 60 days. All claim schedule documents on the D05 Report which were paid by the SCO on or before 6/30 should have a zero balance.

Claims schedules filed against reverting appropriations should be submitted to the SCO by the SCO due date to allow payment by June 30.

EXHIBIT I-12  
PRIOR YEAR PAYABLE LIQUIDATIONS

**Payables with Credit Balances**

Payables are likely to have **credit balances** for one of the following reasons:

- ✦ An overestimated accrual
- ✦ A transaction code debiting expenditures and not liquidating the payable was used when payment was made.

Enter the following transaction codes to liquidate the payable and credit expenditures.  
The document number on the D16 is the reference document number on input.

<u>General Ledger Account</u>	<u>Transaction Code</u>
3010	205
3110	204
3210	201
3220	201
3290	201

**Payables with Debit Balances**

Payables with **debit balances** have been overliquidated.

Enter the following transaction codes to correct the overpayment of the accrual and debit expenditures. The document number on the D16 is the current document number on input, except for TC 498, which requires a reference document number.

<u>General Ledger Account</u>	<u>Transaction Code</u>
3010	498
3110	285
3210	283
3220	283
3290	283

**Claims in Process (General Ledger 3021)**

Verify that 'Claims in Process' has a zero balance on the month-end G01 Report. The H04 Report and the Command H.6, History Inquiry screen, may be used for a detailed analysis of GL 3021-Claims in Process.

**Office Revolving Fund (ORF)**

Verify that all outstanding travel advances, salary advances and expense advances are recorded accurately and timely. Review open documents using the D02 and D08 reports. The HD1 Report may be used for additional research.

**Review Subsidiary**

GLs 1400 and 3110 require a Subsidiary for each entry. The first four digits of the Subsidiary is the fund that the amount is "Due to" or "Due from". The D32 Descriptor Table should be reviewed to ensure that this convention is being followed and is in accordance with the UCM. The S01, Subsidiaries On File Report, should also be reviewed to ensure there is no GL 1600 Subsidiary.

CALSTARS automatically reclassifies the GLs 1400 and 3110 on the G02 Post-closing Trial Balance based on subsidiary information. GL 1400 is reclassified to GL 1420-Due From Other Appropriations Within the Same Fund, or GL 1410-Due From Other Funds. GL 3110 is reclassified to GL 3115-Due to Other Appropriations Within the Same Fund or GL 3114-Due to Other Funds.

GL 1500-Due From Other Governments also requires a Subsidiary for each entry. The first four digits must reflect the lower level GLs of 1510, 1540 or 1590. The D32 Descriptor Table should be reviewed to make certain that this convention is being followed. CALSTARS automatically reclassifies GL 1500 on the G02 Post-closing Trial Balance based on the subsidiary. The GL 1500 is reclassified to GL 1510-Due From Federal Government, GL 1540-Due From School Districts, or GL 1590-Due From Other Governmental Entities.

**REVIEW OTHER AREAS****Uncleared Collections (General Ledger Account 3730)**

Review Uncleared Collection balances to determine if outstanding amounts are identifiable. Reverse the original posting to GL 3730 (TC 170). Post the receipt to the appropriate account or issue a General Cash refund.



**Advance Collections (General Ledger Account 3400)**

Review Advance Collections to determine if there are amounts that should be recognized as earned Revenue and/or Reimbursements in the current fiscal year. If so, prepare the appropriate transaction(s) to debit Advance Collections and credit the appropriate Revenue and/or Reimbursement or account. If the Advance Collection has already been remitted to the SCO, prepare a Transaction Request (Form CA 504) to reclassify the Advance Collection to Revenue or Reimbursements on the Controller's records.

**Prepayments (General Ledger Accounts 1730, 1740 and 1750)**

Review prepayments for each GL account above to determine if any of the balance has been expended by the entity that received the prepayment. If necessary, prepare the transaction(s) to reduce the prepayment accounts to the remaining unexpended balance.

**Plans of Financial Adjustment (PFA)**

The amount of PFA Pending (the difference between "Net Cost Allocation" and "SCO PFA Posted" on the B04 Report) is shown on the DB1 Report and carried on the SCO reconciliation for each account. All PFA Pending amounts on a fund's SCO reconciliations must equal the balance of GL 6297-Allocation Clearing Account on the G01.

If a department either adjusted the PFA Worksheet before sending the PFA to the SCO or sent an estimated PFA to the SCO, the differences between the CALSTARS PFA Worksheet and the PFA sent to the SCO must be identified. Make any necessary adjustments on the May PFA Transfer Letter. Any remaining differences will be included as accruals on the Accrual Worksheet.

The GL 6297-Allocation Clearing Account should be analyzed to ensure that any pending PFAs for reverting appropriations are submitted before the SCO due date (about June 15). Any documents for reverting appropriations must be cleared in the month of May to be included in the May PFA.

Documents for reverting appropriations cleared after the May fund split must be directly charged to the ultimate fund. This may be done successfully by following these two steps:

1. Change the PCATable distribution segment for the appropriate PCA to 100% for one ultimate fund (change the percentage for any other fund present to 0%); and,
2. When entering the transaction, override the disbursing fund segment so it is identical to the distribution segment (AS, Fund, FS, Method).

**Fixed Assets (Fund 0997)**

Fixed assets purchased from governmental funds should be accounted for in Fund 0997 using Fund Detail. GL 2341-Equipment must reconcile to the capitalized equipment in the detailed property inventory records. Amounts recorded in GL 2310-Land, GL 2321-Buildings, GL 2331-Improvements Other Than Buildings and any other GL's for fixed assets must reconcile to the detailed property inventory records. See SAM Section 8600 for property accounting procedures.

Departments must identify the fund that financed each fixed asset. Fund Detail (defined in the D23 Descriptor Table) is used for this purpose. Even if a department has used only one fund for fixed assets, fund detail must be used with all Fund 0997 transactions; eg., 0997.01--General Fund, 0997.02--Federal Trust Fund, etc.

**SWCAP and Pro Rata Charges**

Verify that all Pro Rata and SWCAP charges have been correctly charged to the program/fund for which they were intended. Special funds are assessed Pro Rata to cover their share of the costs of State government. The Federal Government permits the State to recover a fair share of the state central services for those programs that are partially or wholly funded with Federal funds. Pro Rata must be borne only by the special funds for which they are intended. SWCAP may be charged ONLY to Federal funds.

Departments that have Pro Rata or SWCAP charges should request a Q10 report with the following level of detail:

I = 0  
P = 0  
O = Level 3 or 4  
F = 1

Check each fund for Object Details **438** and **439**. Object Detail **438** should only be in Special funds. Object Detail **439** should only be in Federal funds. Departments with these Object Details in any other fund should contact their CALSTARS Analyst or the Hotline if assistance is needed.

## General Review of Reports

Department personnel who are knowledgeable of the various reports should review those reports for reasonableness. For example, the G01 Report should be reviewed to see if any general ledger accounts have abnormal balances. In non-shared funds, the GL 1140-Cash in State Treasury on the SCO Fund Reconciliation Report must agree with CALSTARS GL 1140-Cash in State Treasury for that fund. The Q25 Report should be reviewed to verify that the receipt codes are used correctly. The Clearing Account Expenditures on the month-end B04 Report should be zero.

## ESTABLISH NEW YEAR TABLES

Before departments determine the table structure for the next fiscal year, several areas must be reviewed. Staff responsible for this review should ask the following questions:

- ✧ Are the CALSTARS reports meeting management's needs? If not, why?
- ✧ Has the organization structure changed or will it change on July 1? If it is changing, have new Index Codes been selected?
- ✧ Are the agency object codes meeting the department's needs? If not, how should they be changed?
- ✧ Does the Appropriation Symbol Table accurately reflect the budget act and special legislation appropriations? Do the appropriation symbols agree with the SCO account structure? Is the SCO Account information in the AS Tables?
- ✧ Are there changes to the Program Structure effective July 1 as reflected in the Governor's Budget? Is the Legislature likely to take any action during their deliberations that will change the program or organization structure?
- ✧ Are the PCAs established to at least the level of the Governor's budget?
- ✧ Is the cost reporting system, if applicable, appropriate to the department?
- ✧ Does the Cost Allocation Table reflect the Cost Allocation Plan? Is the cost allocation methodology changing for the next fiscal year?
- ✧ Is the method of Labor Distribution appropriate?

All of these areas should be carefully reviewed before generating or establishing tables for the next fiscal year. To be successful, each department should have their review completed and the tables established prior to the heavy year-end period. The review should begin as early as March and be completed by June 1. All tables should be keyed or generated, reviewed and ready to accept new year transactions by July 1. Table listings can be ordered from the table's entry screen, list screen, and the I.80 – FFY Maintenance screen. Where applicable, a fiscal year may be specified.

### Organization Control (OC) Table Maintenance

***A new year Organization Control Table record must be established before June 30. This new year OC Table record controls all system processing after July 1 except for edit overrides. The number of step downs on the new year OC Table record must be equal to the maximum number of step downs for any available year regardless of the number of step downs in the current year.***

Prior fiscal year transactions are always processed using the OC Table error severity segment corresponding to the Funding Fiscal Year of the transaction. All other system activity is processed using the new fiscal year OC Table record.

The new year OC Table entry should be entered before any of the other new year tables are created. Prior to establishing the new year OC Table, review the section on the OC Table in Chapter IV of Volume 2. The fund control severity indicators in the new year OC Table should be reviewed and changed if necessary. For instance, appropriation, allotment and cash controls may need to be set to 'W' or 'I' until the new year appropriations and allotments have been loaded.

The OC Table may be entered from a blank screen or by viewing, then adding, the new table after changing some fields. It cannot be generated. To use the VIEW-ADD technique, view (F5) the current year table, key A for the Function, overkey only the data elements that need to be changed and press Enter. ***The RUN YEC indicator must be blank, the LAST STEP RUN indicator must be 00, the PRIOR-YEAR-OPEN indicator set to Y, and the CY-BR #1 indicator set to N.***

### Generate (G) Function

Departments are not required to enter all of their new fiscal year tables from input forms. New fiscal year tables can be produced using Function G (G=Generate) on the I.80 – FFY Maintenance screen (except the EM, which must be generated from the EM entry screen.)

Generated table transactions go through the same relational edits as Add transactions. For the **DGS and EM tables**, generated table edits are **Warning Only**. The records post and any error messages are printed **only on the day table maintenance activity was done**. For the AS, CA, IC, and PCA tables, the table edits that are fatal for Add transactions are fatal for the Generate transactions.

The tables that may be generated (must be generated in this order) are:

- ✧ Appropriation Symbol (AS)
- ✧ Index Code (IC)
- ✧ Program Cost Account (PA)
- ✧ Cost Allocation (CA)
- ✧ DGS Services Table
- ✧ DGS Invoice Allocation Table
- ✧ Employee Master (EM) (day after the Labor Distribution Control (LC) Table is entered)

All generated tables should be reviewed. Changes or deletions should be made immediately. The new Funding Fiscal Year tables might need to be updated to reflect changes between the current and prior fiscal year. For example, if allotments were used in the prior year but their use is being discontinued in the current year, the allotment file indicators in the AS, IC and PCA tables must be changed in the new Funding Fiscal Year tables to reflect this change. To make this process easier, prints of all the above tables may now be requested by Funding Fiscal Year. Request a table listing for the new Funding Fiscal Year by entering Function **P** and the new Funding Fiscal Year.

For more information regarding the **Generate** function for the AS, CA, EM, IC and PCA tables, refer to Volume 2, Chapter IV, Table Maintenance Coding Procedures. For more information regarding the **Generate** function for the DGS tables, refer to Volume 1, Chapter XXI-2, Automated Payables – Department of General Services.

### Delete (X) Function

Departments can also delete all of the table entries by Funding Fiscal Year for any of the above tables. To use the Delete function, enter Function **X** (**X**=DEL FFY) and the Funding Fiscal Year of the year to be deleted on the I.80 – FFY Maintenance screen (except the EM, which must be accessed through the EM entry screen). When Function **X** is used, a separate table maintenance activity report, CSB9n0-3, is produced displaying all the table records that were deleted. Function **X** cannot be used for the current, prior or prior-prior fiscal years. Do not delete table records that may be needed to liquidate documents.

For more information regarding the Function **X** for the AS, CA, EM, IC and PCA Tables, refer to Volume 2, Chapter IV, Table Maintenance Coding Procedures. For more information regarding the Delete function for the DGS tables, refer to Volume 1, Chapter XXI-2, Automated Payables – Department of General Services.

### Active/Inactive Indicator

Most tables have an Active/Inactive indicator. When the indicator is set to Active (**0**), posting is allowed. When the indicator is set to Inactive (**1**), an error message shows that the table has been identified as Inactive and the posting is treated accordingly. Inactive table entries are generated into the new year with the same Indicator (**0** or **1**) as the existing tables(s).

## Appropriation Symbol (AS) Table Maintenance

Volume 2, Chapter IV-AS, Appropriation Symbol (AS) Table, provides detailed information about the Appropriation Symbol Table. For detailed information, refer to Volume 2.

### Account Types

The Account Type identifies the account type on the SCO Agency Reconciliation Report. Refer to the AS Table sub-chapter in Volume 2, for a complete listing of the Account Types.

**NOTE:** The Office Revolving Fund Advance must be established in the advancing fund using Account Type **97**.

### Dates

A careful review of dates should be done for existing and generated records. The AS Table dates are in the *MMDDYYYY* format, with *YYYY* being any valid year between 1900 and 2099. For appropriations without regard to year, the ENCUMBRANCE AVAILABILITY DATE and the REVERSION DATE should be set to 99/99/9999.

### Reimbursements

The B06 Report, Final Budget Report, can display more than one line of reimbursements when shown that way in the Budget Act. An Appropriation Symbol should be established for each separate appropriated reimbursement line in the Budget Act. Departments with only one appropriated reimbursement line should have only one Appropriation Symbol. To segregate reimbursements properly by program on the Q25 Report, use more than one PCA.

### Revenue

All departments should use Reference **980** for revenue accounts unless the SCO uses a different Reference on their Agency Reconciliation Report. Reference **980** will not print on the HB4, DB1, or D16 reports.

Departments must establish a separate appropriation symbol in each fund receiving revenue in order to successfully use the automated reconciliation reports (DB2 and H02) and to participate in the Automated Year-End Reporting process.

### Reversion Indicator

The Reversion Indicator for each Appropriation Symbol should be reviewed to ensure accuracy. The reversion indicator values are:

- 0** - Reversion does not apply
- 1** - Reversion applies
- 2** - Continuing appropriation
- 9** - Continuing appropriation - Statutory

The year-end processing related to these reversion indicators is discussed in Chapter VI, Year-end Closing – YEC and YEO Processes, in Exhibits VI-7 through VI-10.

CALSTARS uses the Reversion Indicator for the following three major processes during the year-end closing process.

### **Reverting Appropriations**

CALSTARS provides two automated processes (CFY022 - Document File Reclassification/Liquidation and CFY023 - Revenue Reversal/Reclassification) to assist departments to identify, liquidate and/or reclassify documents within reverting appropriations. These two processes use the Reversion Indicator and Reversion Date to determine which appropriations will revert on or before June 30. To use these automated processes for appropriations that will revert on or before June 30, the AS Table must be coded as follows by the end of March:

- (1) Set the Reversion Indicator to **1**.
- (2) Set the Reversion Date to June 30, 20**nn** (*nn*= current calendar year) or earlier.

### **Continuing Appropriations**

Continuing appropriations generally include two different types of appropriations. The first type includes appropriations that continue encumbrance and expenditure availability beyond the first year of availability (e.g., Capital Outlay). The second type generally includes Statutory appropriations that continue from year to year.

All encumbrances, including encumbrances of continuing appropriations, are reported as expenditures at year-end. For ease of accounting, CALSTARS moves encumbrances of continuing appropriations to the current FFY. Encumbrances for continuing appropriations are automatically moved to the new FFY during the Year-end Close (YEC) process.

**WARNING:** All encumbrances for continuing appropriations (Reversion Indicator **2** or **9**) are automatically moved to the new FFY during the YEC process. If the department does not want to automatically move these encumbrances to the new FFY, the Reversion Indicator must be changed to **0** prior to running the YEC process (OC Table RUN YEC = **C**).

Exhibit I-13 displays two examples of continuing appropriations with the appropriate year-end treatment of unencumbered balances and unliquidated encumbrances.

### **Generate**

Various factors impact the generated table maintenance (Function **G**) for the AS Table. AS Table records are generated according to the table below.

<b>AS Table Generate Function Logic Table</b>			
AS Table Record Value:			Result
Reversion Ind.	Start Date within the fiscal year (7-1-YYYY through 6-30-YYYY) of the 'Generate' maintenance transaction FFY?	Account Type is 00, 85, 90, 91, 92, 95, 96, 97, 98, CA or RR?	
0	Yes	Yes	Generate function creates new record with:  The Enactment Year and the SCO Account Enactment Year is set to the current AS Table FFY + 1.  The Chapter and the SCO Account Chapter is set to BAYYYY (where YYYY is the new 4-digit FFY) <sup>1/</sup> .  The Start Date, Encumbrance Availability Date and the Reversion Date are incremented by one year (+1).
		No	Generate function generates new FFY record with no changes to information.
	No	Yes	Generate function generates new FFY record with no changes to information.
		No	Generate function generates new FFY record with no changes to information.
1			No new record generated.
2 or 9			Generate function generates new FFY record with no changes to information.

<sup>1/</sup> When the Budget Act is signed and Chaptered, an automated process is run to replace "BAYyyy" with the actual Chapter citation. A CALSTARS News item is issued to explain this process before it happens.



EXHIBIT I-13  
CONTINUING APPROPRIATIONS

**SITUATION:** A typical five-year appropriation where the first three years are available for encumbrances and expenditures and the final two years are available for liquidating encumbrances only.

ENACTMENT YEAR	FFY	A/S TABLE REVERSION INDICATOR	PCA TABLE APPROPRIATION METHOD	YEAR-END TREATMENT OF UNLIQUIDATED ENCUMBRANCES AND UNENCUMBERED BALANCES <sup>1/</sup>	NEW TABLES MUST BE IN PLACE BEFORE BRINGING ENCUMBRANCES FORWARD
01	01	2	1 or 5	Carry forward to FFY 02	Requires New Year Tables <sup>2/</sup>
01	02	2	4	Carry forward to FFY 03	Requires New Year Tables <sup>2/</sup>
01	03	0	4	Stays in FFY 03	
01	04	No new tables are established	Does not apply		
01	05	Reversion Indicator in FY 01, 02 and 03 is set to '1'	All balances revert. (Except those that support real GLs, i.e., Prepayments and Cost Allocation when Net Allocation ≠ SCO PFA Posted)		

**SITUATION:** A typical Statutory appropriation, which continues availability from year to year.

ENACTMENT YEAR	FFY	A/S TABLE REVERSION INDICATOR	PCA TABLE APPROPRIATION METHOD	YEAR-END TREATMENT OF UNLIQUIDATED ENCUMBRANCES AND UNENCUMBERED BALANCES <sup>1/</sup>	NEW TABLES MUST BE IN PLACE BEFORE BRINGING ENCUMBRANCES FORWARD
04	04	9	5	Carry forward to FFY 05	Requires New Year Tables every year <sup>2/</sup>
04	05	9	2	Carry forward to FFY 06	Requires New Year Tables every year <sup>2/</sup>
Subsequent years are treated the same as the second year, with the FFY incremented by +1 each year.					

<sup>1/</sup> Year-end processing related to continuing appropriations is discussed in the *Appropriation File Carry Forward*, *Allotment File Carry Forward*, and *Document File Carry Forward* sections of Chapter VI.

<sup>2/</sup> Appropriation Symbol, PCA, Index, and other tables as appropriate.

**Special Deposit Fund**

At least one Appropriation Symbol and one PCA may be established for each expenditure Special Deposit Fund account. A separate Fund Detail must be established for each account within the Special Deposit Fund (0942). Each PCA should look up the appropriate fund detail to ensure transactions are posted to the correct fund detail as defined in the D23 Descriptor Table.

If an account in the Special Deposit Fund does not fund expenditures for a program activity, then the CFIS Program Level Indicator in the PCA table should be coded with a **0** (No program identification). Examples of these accounts are Unclaimed Trust Money, Tax Sheltered Annuities and Vacation Trust Account.

Reconcile these accounts by comparing the SCO balance to GL 3500-Liabilities for Deposits at the Fund Detail level. Transactions in these accounts must never post to nominal accounts.

If an account in the Special Deposit Fund does fund expenditures in real program activities, the PCA and Appropriation Symbol must look up real programs. The CFIS Program Level Indicator in the PCA table should be coded with a **1, 2, 3 or 4** (program, element, component or task). The balance in GL 1140-Cash in State Treasury at the Fund Detail level is used to reconcile to SCO. Transactions in these accounts should be recorded in nominal accounts and never recorded in GL 3500-Liabilities for Deposits.

Each Fund Detail established must be supported by a D23 Descriptor Table entry with the correct indicators.

**Budget Sequence (BS) Table Maintenance**

A Budget Sequence (BudSeq) Table record **001** must be established for each unique Budget Act item (Organization-Reference-Fund) anticipated in the new fiscal year before posting any budget transactions if the OC Budget CY-SCH10 Indicator is **Y**. These table entries cannot be generated. For continuing appropriations (AS Table Reversion Indicators **2** and **9**), the BudSeq **001** records must be established prior to running Year-end Close to accommodate the automatic Appropriation File Carry Forward process.

Do not establish BS Table records if the OC Budget CY-SCH10 Indicator is **N**.

**Index Code (IC) Table Maintenance**

Any changes to the organization structure must be considered before creating the new year Index Code tables. New year tables produced using Function **G** must be reviewed.

**Special Index Codes**

Departments maintaining appropriations or general ledger by Section must establish alpha-numeric Index Codes in their IC Table by FFY prior to the Year-end Close process. These Index Codes are used to:

- ✦ Carry forward **appropriations** into the new year if appropriations are maintained by Section; and/or
- ✦ Carry forward real account **general ledger account balances** into the new year if general ledgers are maintained by Section.

The carry forward of balances of both the appropriation and general ledger files is performed through the system generation of accounting transactions. If appropriations are maintained by Section, an Index Code for each FFY must be in the new year IC Table. Similarly, if general ledgers are maintained by Section, an Index Code for current FFY must also be present. Transactions generated from the Year-end Close process use an Index Code with the first two digits being "XX" and the second two digits equaling the Section.

**Program Cost Account (PCA) Table Maintenance**

Changes to the existing program structure must be considered before creating the new year PCA Tables. New year tables produced using Function **G** must be reviewed. If your department uses the PCA Table to look up Projects, a review must be done to ensure the Work Phases are appropriate for the new year.

**Continuing Appropriations**

When encumbrances for continuing appropriations are moved to the new FFY during the YEC process, the PCA Table Appropriation Method from the new FFY is used to determine the Appropriation Method in the new year Document File record. Departments should review PCAs for continuing appropriations in the new FFY prior to running the YEC process.

**Cost Allocation (CA) Table Maintenance**

Changes to the existing program structure or cost allocation methodology based on a revised Cost Allocation Plan in the new year must be considered before creating the new year CA tables. New year tables produced using Function **G** must be reviewed. The new year OC Table must be in place before adding or generating CA Table records and before attempting to run any process after June 30.

**Automated Payables – DGS Tables Maintenance**

The Department of General Services (DGS) Automated Payables subsystem requires creating New Year tables for the following:

- ✦ DGS Services Table – The statewide DGS Services Table, the Object Detail Table (DT11), and the Agency Object Table (DT12), if used, must be established before creating the DGS Services Table. New year tables

produced using Function **G** must be reviewed. Add any anticipated new services from DGS in the new FFY before creating automated transactions in the new fiscal year.

- ⊗ DGS Invoice Allocation Table – Any changes in the new FFY to the existing program or organizational structure should be considered before creating the New Year table. Indexes, PCAs, and DGS Service Types from the DGS Services Table, if used, must be established before creating this table. New year tables produced using Function **G** must be reviewed.

### Labor Distribution Table Maintenance

Changes to the program structure or organization structure need to be considered before creating the new year labor tables. The Labor Distribution Control (LC) Table cannot be generated. The Employee Master (EM) Table may be generated using Function **G**. The new year LC Table should be established prior to generating the EM Table. Indexes, PCAs and Agency Objects (D12 Descriptor Table) must be in place before creating any Labor tables. New year tables produced using Function **G** must be reviewed.

### Project Control (PC) Table Maintenance

The PC Table is not controlled by FFY, therefore, the generate function is not available. The PC Table is most commonly used to identify and track federal grants but may also be used for OSA advances, capital outlay projects and department contracts or special projects.

***Each department anticipating Federal funds during any fiscal year must have an 'FEDFPN/99' Project Number/Work Phase PC Table record on file (for system use).*** When generating transactions in the year-end carry forward process, CALSTARS looks for a Project Number/Work Phase in each transaction that includes Federal funding (Federal Trust Fund or other Federal fund). If the fund for a record is identified as Federal per the D22 Fund Descriptor Table (Shared Fund indicator) and it does not contain a Project Number/Work Phase, CALSTARS inserts **FEDFPN/99** as the Project Number/Work Phase. This prevents EA5 and EA6 errors during batch editing. This Project Number/Work Phase is used as a convenience to bypass some of the batch edits. It is not used for any file posting.

#### Dates

Carefully review the dates on existing and generated records. The PC Table dates are in the *MMDDYY* format. For projects which do not have a specific end date, the END DATE should be set to 12/31/20 (the furthest date into the future that is currently allowed).

#### Grant Project File Purge

The PC Table entries control the relation of the Grant Project File records. A Grant Project File record may be purged by deleting the PC Table entry. The Grant

Project File record remains available until the Year-end Close process is invoked. During this process, Grant Project File records without corresponding PC Table entries are purged.

### Vendor Edit (VE) Table Maintenance

The VE Table requires no specific maintenance; however, special purpose Vendor Numbers (**AAAAAAAAAA-*nn***) should be verified either through a current table listing or the on-line VE Table. Special purpose Vendor Numbers contain the names and titles used on the CALSTARS year-end reports and the distribution information on report flag sheets.

#### Year-end Report Names and Titles

Standard CALSTARS reports used as year-end financial reports carry the required certification statements. Within the certification, the department head's name and title and the Accounting Officer's name and title appear if the following Vendor Edit table entries are present:

- 1) Vendor Number: **AAAAAAAAAA-10**  
 Vendor Name: Accounting Officer Name  
 Address Line 1: Accounting Officer Title  
 City: The city that should appear on the certification.
- 2) Vendor Number: **AAAAAAAAAA-20**  
 Vendor Name: Head of Department's Name  
 Address Line 1: Head of Department's Title  
 City: The city that should appear on the certification.

#### Report Distribution Flag Sheets

Reports with a report destination of **L1** (Laser printer) and **M1** (microfiche) are routed through the CALSTARS office in Sacramento. The Production Control data guidance staff separates and packages reports for delivery or mailing. A Flag Sheet is used for the delivery or mailing label. Departments update flag sheet changes by changing the information in Vendor Number **AAAAAAAAAA-90**. When updating, it is important to follow the format exactly as shown below:

Vendor Number:	<b>AAAAAAAAAA-90</b>
Vendor Name:	Office Name, i.e., Accounting Office
Address Line 1:	Department, Board or Commission Name
Address Line 2:	Delivery or mailing address
Address Line 3:	(If needed)
City:	City
State and ZIP Code:	State and ZIP Code
Contact Name:	Person to receive reports (If reports are mailed, enter "US MAIL" in this space)
Phone:	Contact Person's Area Code and Phone Number

**NEW YEAR PAYMENTS AGAINST CONTINUING APPROPRIATIONS PRIOR TO YEC**

At year-end all encumbrances, including encumbrances for continuing appropriations, are reported as expenditures in the FFY in which they are encumbered. For ease of accounting purposes, CALSTARS rolls encumbrances of continuing appropriations to the new FFY during the Year-end Close (YEC) process. This presents a problem for payments made beginning July 1 through the date that YEC is run. To resolve the problem during this period, departments should disencumber the amount of the payment against the existing document in the prior FFY using TC 210. The payment should then be recorded against the new FFY using TC 231 or 240, as appropriate. Both the liquidation and payment transactions should be recorded in the current fiscal month (FM 01, FM 02, etc.). When the balance of the encumbrance is carried forward to the new FFY by the YEC process, only the net amount of the encumbrance is carried forward. This allows all payments to be recorded against the new FFY.